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## **Governors want federal transportation funds**

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-- Gov. Arnold Schwarzenegger and a bipartisan group of governors called Sunday on President Bush, Congress and the presidential candidates to back a major spending program to repair the nation's roads, bridges, rail lines and water systems.

The effort could come with a steep price tag: Democratic Gov. Ed Rendell of Pennsylvania said the group will urge Congress to approve a new economic stimulus package that could include \$25 billion to \$30 billion for infrastructure projects.

Bush signed a \$168 billion stimulus package this month that included tax rebates of \$300 to \$1,200 per household. But the White House opposed efforts to add spending for infrastructure, saying the money could not be spent quickly enough to jump-start the economy.

Schwarzenegger, at a news conference at the annual National Governors' Association meeting in Washington, said states on tight budgets have already approved billions in state bonds for new projects, but need more federal help. "It's time for the federal government to step up and do its part," he said.

The push comes at a crucial time, with many states taking a budget hit as a sagging economy slows tax receipts. California Legislative Analyst Elizabeth Hill said last week that the state is facing a \$16 billion budget shortfall that will take spending cuts and tax increases to close.

The governors are making their pitch directly to Bush and top congressional leaders. The meetings could be contentious. New York Gov. Eliot Spitzer, a Democrat, slammed the recently passed stimulus bill as "almost farcical" because he said it focuses only on short-term spending rather than fixing bigger problems in infrastructure or in the credit markets.

House Speaker Nancy Pelosi, D-San Francisco, has left open the possibility of more stimulus measures this year, but infrastructure will be competing with other proposals, such as extending jobless benefits and increasing food stamps, which Democrats have pushed.

Then there's the thorny question of how to pay for it. A new report by the National Surface Transportation Policy and Revenue Study Commission recommended increasing the gas tax by

25 to 41 cents to raise money for transportation projects. But the White House strongly opposes it, and congressional leaders are leery of raising the tax with gas prices higher than \$3 per gallon.

The governors have not come up with a clear plan to pay for their projects, but have offered ideas: reducing federal earmarks for other projects, creating incentives for private firms to invest in the repairs and starting a federal capital fund for infrastructure.

Those suggestions were announced last month by Schwarzenegger, Rendell and New York Mayor Michael Bloomberg, who formed the Building America's Future coalition, which is funded by the Rockefeller Foundation. Thirteen other governors have joined the group.

Schwarzenegger said the coalition is starting to lobby presidential candidates in both parties to commit to more federal funding.

"No matter who is going to be the next president," he said, "this group is going to keep the pressure on."